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## Agenda Item 19b

November 16, 2011

### TO: MEMBERS OF THE BOARD OF ADMINISTRATION

- I. **SUBJECT:** Board Governance Project – Chief Executive Officer Delegation Resolution (First Reading)
- II. **PROGRAM:** Board Governance
- III. **RECOMMENDATION:** Approve the First Reading of the Chief Executive Officer Delegation.

### IV. ANALYSIS:

In September and October 2011, the Board approved governance changes, including new Board committee structures and Powers Reserved, to strengthen accountability, efficiency, and transparency. As part of the initiative to implement the new Board committee structure, the Chief Executive Officer (CEO) Delegation Resolution (Attachment 1) has been revised to align with the approved Powers Reserved for the Board. The format of the CEO delegation has been revised to provide increased clarity related to the authorities the Board is delegating to the CEO.

The delegation is divided into four sections:

- **General:** This section delegates the authority to conduct the administration of all CalPERS programs, services, units, and functions, implementation of Board policies, programs, Strategic Plan, Business Plan, and all CalPERS operations.
- **Staff Resources and Organizational Structure:** This section delegates the authority to set the organizational structure and approve all personnel decisions for CEO direct reports and all other CalPERS staff.
- **Additional Specific Authority:** This section delegates additional specific authority in conducting the administration of all CalPERS programs, services, units, and functions, such as approving the procurement of services, public agency contracts, initiation and settlement of litigation, and representing CalPERS before outside parties and organizations. In addition, this section directs the CEO to delegate authority to the Chief Investment Officer to approve the procurement of services from all investment partners, managers, and consultants, consistent with the

Powers Reserved for the Board in the Investment Committee Delegation Resolution.

- **Emergency Situations:** This section delegates the authority to act in emergency situations.

**V. RISKS:**

Failure to approve the revised CEO Delegation Resolution may result in unclear roles, responsibilities, and authorities between the Board and CEO, resulting in decreased accountability and effectiveness.

**VI. STRATEGIC PLAN:**

These Board Governance Initiatives support the following Strategic Plan Goals:

- Goal II – Foster a work environment that values quality, respect, diversity, integrity, openness, communication, and accountability; and
- Goal III – Sustain a high performance work culture utilizing staff development, technology, and innovative leadership and management strategies.

**VII. RESULTS/COSTS:**

This CEO Delegation Resolution results in increased accountability and transparency in CalPERS operations and does not result in increased cost.

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PETER H. MIXON  
General Counsel

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ANNE STAUSBOLL  
Chief Executive Officer